

# **EXHIBIT "6"**



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<p style="text-align: right;">Page 61</p> <p>1 validation request and the validation notice. We 2 give people 45 days to respond to the validation 3 notice, we allow for a seven-day grace period as 4 well, and once that 52 days has expired, we will then 5 make a decision on whether or not we want to send 6 what we call the marketing letter, which will give 7 the consumers an opportunity to settle their account 8 at a reduced balance. 9 Q. And the marketing letter is the letter 10 we're looking at here marked as Exhibit 6. Correct? 11 A. Correct. 12 MR. SCHWARTZ: Objection as to form. 13 BY MR. LORENZ: 14 Q. So that would be the second letter in 15 the sequence typically? 16 A. This type of letter would be, not 17 necessarily ED01. 18 Q. I'm sorry, what was that? 19 A. Not necessarily ED01, this letter 20 template. 21 Q. A form of a marketing letter? 22 A. Correct. 23 Q. Offering to settle the account? 24 A. Correct. 25 Q. And what happens after that?</p>	<p style="text-align: right;">Page 63</p> <p>1 RevSpring and DMG. Is that correct? 2 A. Correct. 3 Q. Has RevSpring and DMG been in use for a 4 period of years or -- well, let me ask you this: Are 5 they still being used today? 6 A. They are not. 7 Q. When did MCM stop using RevSpring and 8 DMG? 9 A. RevSpring, we stopped using RevSpring 10 in, I believe, July of last year, July/August time 11 frame. DMG we stopped in April of 2012. 12 Q. What does DMG stand for? 13 A. Direct Marketing Group. 14 Q. So DMG was not being used beyond 15 April 1, 2012? 16 A. It would have been the end of April. I 17 believe it's the third week of April. 18 Q. How come their services were no longer 19 required? 20 A. I joined in October of 2011 and did a 21 vendor assessment and determined, after site visits, 22 that DMG did not have the capabilities we needed to 23 handle the volume, as well as the complexity, of work 24 that we wanted to do in the future. 25 Q. And then you said RevSpring, you</p>
<p style="text-align: right;">Page 62</p> <p>1 A. Throughout the cycle, even during the 2 validation period, if someone makes an agreement to 3 pay, we will send production letters, which are a 4 payment plan confirmation, as well as notices 5 reminding them of the payment being due, we'll send 6 the standard letters if they did recurring check or 7 debit card payment, we will send them the appropriate 8 notifications three to ten days prior to taking any 9 money out. If someone misses a payment, we'll send 10 appropriate communication as well, and continue 11 calling throughout that life cycle. 12 And then the marketing letters, in 13 particular, will go on a six-week rotation, so if you 14 get this letter today, then six weeks later you'll 15 become eligible again, and we determine whether or 16 not we want to send that letter or not. 17 Q. Does it make the same offer of 18 resolution or different terms? 19 A. Often it's the same. It can get 20 progressively better as an account ages, but not 21 always. 22 Q. Now, you said before you use mail houses 23 to send the letters. Correct? 24 A. Correct. 25 Q. In this particular instance you used</p>	<p style="text-align: right;">Page 64</p> <p>1 discontinued RevSpring in what period? 2 A. July/August of 2013. 3 Q. And why did you discontinue with them? 4 A. They were unable to support some of the 5 concepts, as well as the costing wasn't adequate from 6 what we wanted. 7 Q. And RevSpring is the successor to PSC. 8 Is that correct? 9 A. Correct. 10 Q. So looking at this letter, we spoke 11 about the role of the mail house versus your 12 department in sending a collection letter. The 13 language in this letter, the actual language, who 14 provides that language? 15 A. In this case, DMG did. 16 Q. So when we look at where it says your, 17 says Dear Natalie: Your credit report can help you 18 reach your goals, you're saying DMG proffered that 19 language? 20 A. Correct. 21 Q. And did they offer all the language 22 contained in the body of the letter? 23 A. They, they did, with our input. 24 Q. And when you say our input, who was the 25 actual person providing that input?</p>



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<p style="text-align: right;">Page 65</p> <p>1 A. At the time of this being created, it 2 could have been any of a number of individuals. 3 Q. Within your group? 4 A. Yes. 5 Q. Could it have been you? 6 A. Not -- I wasn't with the company when 7 this was created. 8 Q. Oh, because this was back in 2010? 9 A. Correct. 10 Q. All right. If you look at the bottom, 11 let's just establish, you'll see that, at the bottom 12 above where it says payment coupon -- 13 A. Uh-huh. 14 Q. -- there's a copyright date. Right? 15 2010 Midland Credit Management, all rights reserved. 16 Correct? 17 A. Correct. 18 Q. And you had mentioned that, since 2010, 19 there really weren't many changes made to this 20 letter? 21 A. Yes. 22 Q. So if you go to the bottom, the very 23 bottom of the letter, you'll see some identifiers 24 also. You identified ED01. To the right of that 25 there's another identifier. What is that?</p>	<p style="text-align: right;">Page 67</p> <p>1 to scan and determine what account the payment should 2 go to as well, as well as whether or not they 3 fulfilled the requirements on the actual acceptance 4 certificate. 5 Q. Now, just moving up, do you see where it 6 says Payment Coupon 4? You'll see it says Account 7 and it has a number after that. Right? 8 A. Correct. 9 Q. Can you read that account number? 10 A. It is 8539169848. 11 Q. And that's an account number assigned to 12 Ms. Vidra. Correct? 13 A. Correct. 14 Q. Who assigns that account number? 15 A. MCM. 16 Q. How does MCM assign that account number? 17 A. It is sequential based on when we 18 purchase an account. Each account is assigned a 19 number which essentially goes in sequence. 20 Q. So each account number is particular for 21 each individual? 22 A. Correct. 23 Q. No two individuals have the same account 24 number? 25 MR. SCHWARTZ: Objection as to form.</p>
<p style="text-align: right;">Page 66</p> <p>1 A. That is a print code used by DMG in 2 order to manage inventory stock. 3 Q. What about to the far left? 4 A. That, I believe, is a number used to 5 ensure 100 percent mail requirement, so each letter 6 is coded with an individual ID, so if it's damaged in 7 the print process, they can determine whether or not 8 the letter was produced or not. 9 Q. Okay. And that's -- 10 A. All for DMG's use. 11 Q. All right. So the letter on the bottom 12 left, the numbers and, the letters and numbers on the 13 bottom left and right beginning with EDUP on the left 14 and then ENED you say are DMG numbers? 15 A. Correct. 16 Q. And the identifier ED01 is an MCM -- 17 A. That's correct. 18 Q. -- identifier? 19 And what above that, there's a number 20 beginning with 12 and ending in 7. Do you know what 21 that is? 22 A. It's called an OCR lang. I do not know 23 what OCR stands for, I believe it's optical device 24 recognition, that's used for payment processing. So 25 anything goes to a lock box, who then will use that</p>	<p style="text-align: right;">Page 68</p> <p>1 THE WITNESS: Individual or account? 2 BY MR. LORENZ: 3 Q. Account. So for instance, this account 4 number is particular to Natalie J. Vidra. Correct? 5 A. It's actually particular to this 6 account, so if she had multiple accounts, she would 7 actually have two different MCM account numbers. 8 Q. Right. So it's particular to MCM's 9 efforts to collect this charged off Chase Bank 10 account. Is that correct? 11 MR. SCHWARTZ: Objection as to form. 12 BY MR. LORENZ: 13 Q. Is that correct? 14 A. Yes, that's correct. 15 Q. And if she had a charged off Bank of 16 America account, there would be a separate account 17 number? 18 A. Correct. 19 Q. And that goes for every individual that 20 MCM is trying to collect from. Correct? 21 A. Correct. 22 Q. And when is the account number assigned? 23 A. It's at the load, so when we talked 24 about the initial load to the MCM system, that is 25 when the MCM account number is assigned.</p>





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<p style="text-align: right;">Page 69</p> <p>1 Q. What does MCM use that account number 2 for? 3 A. We use it for identifying the account, 4 so if someone calls in, they must provide the account 5 number, as well as personal identifying information 6 such as last four digits of the Social Security 7 number, date of birth, or other identifying 8 information so we can track it properly. 9 The issue we ran into with account 10 numbers is, we buy from a variety of different 11 issuers, as well as debt types, and if you use 12 original account numbers, they begin to repeat, so we 13 had to create our own customized internal account 14 number. 15 Q. When you say the original account 16 number, you mean the original Chase Bank USA account 17 number? 18 A. That's correct. 19 Q. Those numbers, you determined, start to 20 repeat? 21 A. Yes. 22 Q. So now an MCM account number is assigned 23 at the time the portfolio comes through Midland 24 Funding into MCM. Correct? 25 A. Correct.</p>	<p style="text-align: right;">Page 71</p> <p>1 there uses to help figure out which account the 2 person is calling on? 3 A. We use a call flow. The call flow, 4 first piece is making sure we give certain 5 disclosures, such as call recording disclosures, and 6 then the next is making sure we identify who the 7 consumer is. One of the things that we take into 8 account is, we don't want to do any third-party 9 disclosure, so we will take an MCM account number 10 with the last four digits of the Social Security 11 number. 12 Q. Would that be sufficient? 13 A. That would be sufficient. 14 Q. Okay. What other combination? 15 A. If you wanted to provide your full 16 Social Security number and consumer name, that would 17 be acceptable as well. You can also provide the MCM 18 account number with date of birth as well. But in 19 each of the cases you have to have at least two 20 pieces of information to authenticate identity. 21 Q. Okay. Just moving up here, we looked 22 at that copyright line, and then to the right the 23 identifier ED01 is there again. Correct? 24 A. Correct. 25 Q. And in parentheses it says 0710, closed</p>
<p style="text-align: right;">Page 70</p> <p>1 Q. And if an individual calls in, they have 2 to give you that account number to look up the 3 account. Is that correct? 4 MR. SCHWARTZ: Objection as to form. 5 MR. LORENZ: I'm not done yet. 6 BY MR. LORENZ: 7 Q. -- to look up that account. Correct? 8 A. That's one of the many pieces required. 9 Q. Okay. Well, I want to know exactly 10 what's, what you say is required. The account number 11 is definitely required. Correct? 12 A. It can be. So we'll take any number of 13 pieces of information. So -- 14 (Reporter request.) 15 THE WITNESS: Pieces of information. 16 BY MR. LORENZ: 17 Q. Now, when you say we, do you mean -- so 18 if, if a consumer calls in, after receiving this 19 marketing letter, calls in, you're getting a call 20 center somewhere. Correct? 21 A. Correct. 22 Q. It could be, whether it's in India or 23 Costa Rica, wherever. Right? 24 A. That's right. 25 Q. And is there a script that the person</p>	<p style="text-align: right;">Page 72</p> <p>1 paren. Correct? 2 A. That's correct. 3 Q. Does that refer to July 2010? 4 A. It does. 5 Q. And then moving up on the right-hand 6 side it speaks to -- you'll see where it says Current 7 Owner? 8 A. Yes. 9 Q. And is it accurate that's Midland 10 Funding, LLC. Right? 11 A. That's correct. 12 Q. And then below that is the MCM account 13 number. Correct? 14 A. Correct. 15 Q. And that's the same account number that 16 you looked at below. Right? 17 A. Yes, it is. 18 Q. On the bottom left-hand side? 19 A. Yes, it is. 20 Q. This letter is signed by D. Manning. 21 Who is that? 22 A. At the time he was a senior -- in 2010 23 he was a senior group manager in our call center 24 operations team. 25 Q. Was he still there in 2012?</p>

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<p style="text-align: right;">Page 73</p> <p>1 A. That I do not know.</p> <p>2 Q. Is he still there now?</p> <p>3 A. He is not.</p> <p>4 Q. You don't know when he left?</p> <p>5 A. I do not.</p> <p>6 Q. If you wanted to find that out, who</p> <p>7 would you ask?</p> <p>8 A. I would have to go to HR.</p> <p>9 Q. I would ask that you do that and provide</p> <p>10 that information to your attorney. I will follow up</p> <p>11 with Mr. Schwartz.</p> <p>12 Obviously Mr. Manning did not review</p> <p>13 each of these letters and sign them. Correct?</p> <p>14 A. That's correct.</p> <p>15 Q. It's a signature that's just affixed by</p> <p>16 the mail house. Right?</p> <p>17 A. Correct.</p> <p>18 Q. Where was Mr. Manning located?</p> <p>19 A. That I do not know.</p> <p>20 Q. Do you see -- I want to go back up to</p> <p>21 the top, and we're going to talk about the address</p> <p>22 block in a moment, but I want to ask you about that</p> <p>23 first paragraph into the letter where it says --</p> <p>24 well, if you could, could you read the second</p> <p>25 sentence, beginning with Your past?</p>	<p style="text-align: right;">Page 75</p> <p>1 you're talking about Midland Credit Management? You</p> <p>2 referred to Midland. Your question --</p> <p>3 MR. LORENZ: Yeah. Well, I'm referring to</p> <p>4 Midland Credit Management and this letter --</p> <p>5 MR. SCHWARTZ: Thank you.</p> <p>6 MR. LORENZ: -- that they send out.</p> <p>7 MR. SCHWARTZ: Thank you.</p> <p>8 BY MR. LORENZ:</p> <p>9 Q. Again, you send this letter out on</p> <p>10 behalf of Midland Funding though. Correct?</p> <p>11 A. We are working on behalf of Midland</p> <p>12 Funding, but we send it, Midland Credit Management is</p> <p>13 the one who actually sends it out and --</p> <p>14 Q. I understand that, but it's sent out</p> <p>15 because you're trying to collect an account owned by</p> <p>16 Midland Funding. Correct?</p> <p>17 A. Correct.</p> <p>18 Q. When money comes in on an account, how</p> <p>19 does it, how is it processed?</p> <p>20 A. That I do not know, it depends on the</p> <p>21 method, but I know it goes into our accounting team</p> <p>22 and they process the payments.</p> <p>23 Q. Is it attributed to Midland Funding or</p> <p>24 Midland Credit Management?</p> <p>25 A. It is, each account is tied to an</p>
<p style="text-align: right;">Page 74</p> <p>1 A. Your past due balance of \$2,108.84 with</p> <p>2 Chase Bank USA, N.A. is being reported to the credit</p> <p>3 reporting bureaus and a remaining -- and remains a</p> <p>4 negative item on your credit report.</p> <p>5 Q. That sentence, who's reporting to the</p> <p>6 credit bureau?</p> <p>7 A. Midland Funding.</p> <p>8 Q. Is Chase Bank reporting it?</p> <p>9 A. They are not.</p> <p>10 Q. How do you know Midland Funding is</p> <p>11 reporting it?</p> <p>12 A. We run a process that selects the</p> <p>13 accounts that are eligible for credit reporting, and</p> <p>14 then we produce the file on a periodic basis as</p> <p>15 required and update it to the credit reporting</p> <p>16 agencies.</p> <p>17 Q. Do you know, in each instance, when this</p> <p>18 letter goes out that an account is, in fact, being</p> <p>19 reported?</p> <p>20 A. We do.</p> <p>21 Q. And does Midland track the reporting</p> <p>22 period?</p> <p>23 A. We do.</p> <p>24 Q. Now, you said --</p> <p>25 MR. SCHWARTZ: I'm sorry, just for clarity,</p>	<p style="text-align: right;">Page 76</p> <p>1 individual owner, so if it's Midland Funding, there's</p> <p>2 also other entities historically who have purchased</p> <p>3 accounts, and it will be allocated appropriately to</p> <p>4 that based on our accounting rules and tax rules.</p> <p>5 Q. Who is the, who heads the accounting</p> <p>6 department?</p> <p>7 A. Glen Freter is our corporate</p> <p>8 comptroller.</p> <p>9 Q. Could you spell his last name?</p> <p>10 A. F-r-e-t-e-r.</p> <p>11 Q. Just so I'm clear, when an individual</p> <p>12 pays on an account, is the check made out to MCM or</p> <p>13 Midland Funding?</p> <p>14 A. MCM.</p> <p>15 Q. And if an electronic payment is made,</p> <p>16 how is that attributed, do you know?</p> <p>17 A. I believe it's MCM.</p> <p>18 Q. At some point then is it, is it</p> <p>19 transferred to a Midland Funding vehicle?</p> <p>20 A. My understanding is it does.</p> <p>21 Q. And then after that, do you know what --</p> <p>22 is it then attributed to Encore's books, or do you</p> <p>23 know how that works?</p> <p>24 A. It all just goes through the corporate</p> <p>25 subsidiaries and then is reported based on</p>



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<p style="text-align: right;">Page 81</p> <p>1 Q. Okay, just so I'm clear, so up to the 2 third week of April 2012, DMG is responsible for 3 design, print, and mailing of this marketing letter. 4 Correct? 5 A. Correct. 6 Q. And all the letters for MCM? 7 A. No, only this letter and one or two 8 other templates DMG handled. The rest were handled 9 by RevSpring. 10 Q. And this particular template, the ED01, 11 then PSC, which became RevSpring, was involved with 12 handling the return mail? 13 A. Correct. 14 Q. And that was all the way through the 15 2013 time frame until their services were cut in July 16 or August? 17 A. Except for marketing which moved to 18 Nahan, and Nahan handled return mail and print 19 production for marketing after that period. 20 Q. After which period? 21 A. After the third week of April, so all of 22 the marketing letters that Nahan produced, Nahan 23 handled return mail, and then PSC handled anything 24 that they produced or anything that was trailing off 25 from DMG's prior work.</p>	<p style="text-align: right;">Page 83</p> <p>1 completely different than DMG and PSC. 2 Q. Did you provide a copy of the letter 3 that they proposed? 4 A. I did not. 5 Q. Do you have a, do you have a template 6 that they proposed to use or -- 7 A. Not with me. 8 Q. Can you provide that? 9 A. I can. 10 Q. I ask that you provide that to 11 Mr. Schwartz. 12 So the Nahan template doesn't have, as 13 you said, the bar code up top. Is that correct? 14 A. Correct. 15 Q. And what changed in the, in the address 16 line? 17 A. The address line they changed to be 18 simply the name and address. This bar code that they 19 have above Natalie's name here moved to the bottom -- 20 Q. Okay. 21 A. -- and they used what's called an 22 intelligent mail bar code, which goes both up and 23 down, and then anything above that bar code is now 24 removed. 25 Q. So all the numbers above that bar code</p>
<p style="text-align: right;">Page 82</p> <p>1 Q. Okay. So the bulk of the mailings 2 related to this ED01 marketing letter were then taken 3 over by Nahan in the third week of April 2012? 4 A. Correct. 5 Q. Beginning to end? 6 A. What -- 7 Q. They were handling the return? 8 A. Yes. 9 Q. They were handling the mailing -- 10 A. Beginning to end. 11 Q. -- as well as the return mail? 12 A. Correct. 13 Q. Who is the contact at Nahan Printing? 14 A. Pat Nahan. 15 Q. And you say they're located in 16 St. Cloud, Minnesota? 17 A. Correct. 18 Q. This is the first I'm hearing of this 19 group. I don't believe they were identified in the 20 interrogatory answers. 21 A. That's correct. 22 Q. How come they weren't identified? 23 A. They do not have anything tied to this 24 address window, they, that would be relevant, so they 25 approached the addressability as well as the layout</p>	<p style="text-align: right;">Page 84</p> <p>1 are gone? 2 A. Correct. 3 Q. And when did that happen? 4 A. The third week of April 2012 for the 5 marketing letters at Nahan. 6 Q. Just so I'm clear, RevSpring continued 7 to send letters though. Is that right? 8 A. They did. 9 Q. And send this template of letter, the 10 ED01? 11 A. They did not send this template after 12 that period. 13 Q. After April 2012? 14 A. Correct. 15 Q. They sent other letters? 16 A. They did. 17 Q. The reason I ask is because, in 18 discovery we asked to, we asked for the 19 identification of, or the amount of letters that went 20 out during the class period, and we've been provided 21 the number 3,681. Are you familiar with that number? 22 A. I am. 23 Q. How did you determine that number? 24 A. So we worked with a group to pull all 25 the individuals who lived in the Philadelphia County</p>



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1 who were Chase consumers, and also received this  
2 letter in this format.  
3 Q. What period of time did that cover?  
4 A. It covered from April 12th, 2012, until  
5 April 13th, 2013.  
6 Q. But then in reality, when were these  
7 letters actually sent? What was the time frame?  
8 A. The first time this letter was sent was  
9 May 2011, and the last would have been sometime in  
10 2014, early 2014, late 2013.  
11 Q. To members of this class?  
12 A. No.  
13 Q. Just generally speaking?  
14 A. Generally speaking.  
15 Q. Because I guess where I'm running into  
16 confusion is, you say that, when Nahan came in, they  
17 took over the sending of this marketing letter, and  
18 that the address line changed and the numbers above  
19 the individual's name were removed as of the third  
20 week of April 2012. Correct?  
21 A. Correct.  
22 Q. So then who continued to send the letter  
23 out? Who continued sending using this template?  
24 A. There may have been small volumes that  
25 would go out from PSC to use up inventory, but the,

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1 most of it would have been simply mailed from, during  
2 this class period, during April of that year, of  
3 2012. There was very very little volume, if any, of  
4 this exact template sent to this class group.  
5 Q. So that number, the 3,681, is really  
6 coming out of the April 2012 time frame?  
7 A. Primarily.  
8 Q. How did you, how did you actually do the  
9 search? Can you describe that for me?  
10 A. So we have a universal marketing  
11 database that stores all letters that have been sent,  
12 so we track the letter code, the name, address,  
13 account number of the consumer, we also track the  
14 original creditor name and a variety of other  
15 information that goes into the letter itself, and  
16 then we are able to see what was successfully  
17 delivered or not based on whether mail was returned,  
18 and then we simply input the different criteria that  
19 we're looking for, so if someone takes quite a bit of  
20 time to kind of program into SAS, which is our  
21 analytic platform. So they'll build the code up in  
22 SAS, then they will review the logic and say here is  
23 how I'm going to pull the data, is this accurate,  
24 then they will query the system and look for the data  
25 that was requested. There's often nuances involved,

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1 so for instance, Chase Bank USA versus Chase Bank, we  
2 opted to include anything with, like Chase, and  
3 there's a lot of conversation to make sure the data  
4 was pulled accurately.  
5 Q. Who did the actual inputting of the  
6 parameters and the pulling of the data?  
7 A. Matt Anderson.  
8 Q. What's his position?  
9 A. He is a data analyst in our inventory  
10 management team.  
11 Q. And were you with him or part of the  
12 process while that was going on?  
13 A. I was part of the process.  
14 Q. So you put in, there were some  
15 limitations in terms of Philadelphia County and Chase  
16 Bank. Did you say that, was there a limitation put  
17 in if -- was it all letters sent or was it letters,  
18 did that include all letters sent or did it take out  
19 letters that came back?  
20 A. We looked at all letters sent.  
21 Q. So the 3,681 represents all letters that  
22 were mailed out?  
23 A. Correct.  
24 Q. Regardless of whether they were returned  
25 or not?

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1 A. Correct.  
2 Q. For the class identified, the 3,681,  
3 have you ever determined how much those accounts were  
4 worth?  
5 A. We have not.  
6 Q. Or is that something you're able to do?  
7 A. It's something that's very challenging  
8 to do.  
9 Q. Why is that?  
10 A. Because worth is all relative, and you  
11 can look at --  
12 Q. Well, no, it's not relative. I mean,  
13 you say that there's X, on this account you say  
14 there's over 2,000 due. That's not relative, you  
15 have a number in here. Are you able to take the  
16 3,681 individuals, look at their balances and tally  
17 that up?  
18 A. You can, but when you look at it we're  
19 offering a 40 percent discount as well as a 20  
20 percent discount, and so it becomes very challenging  
21 to say the total amount we're trying to collect,  
22 because we offer a variety of options, and so you  
23 could actually start with the full balance due, but  
24 we actually never ask for the full balance due in  
25 this case. Person could accept 40 percent. If they



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<p style="text-align: right;">Page 97</p> <p>1 A. I did not.</p> <p>2 Q. You'll agree the one that's there today,</p> <p>3 there's no mention of a need for an account number.</p> <p>4 Correct?</p> <p>5 A. Correct.</p> <p>6 Q. In fact, the discount only arises out of</p> <p>7 using the actual USPS code that's provided?</p> <p>8 A. Correct.</p> <p>9 Q. The bar code below that, what's</p> <p>10 contained within that bar code?</p> <p>11 A. That, my understanding is, for the USPS.</p> <p>12 It indicates zip codes that it's going to and postal</p> <p>13 route information.</p> <p>14 Q. When you said the mail vendor made</p> <p>15 mention of putting the account number in there, are</p> <p>16 you speaking about DMG or PSC?</p> <p>17 A. My understanding it was a request of</p> <p>18 PSC.</p> <p>19 Q. And how did you arrive at that</p> <p>20 understanding?</p> <p>21 A. We did discover two documents, one</p> <p>22 created in 2004 and another in 2009, indicating the</p> <p>23 mandatory elements for an address block, and it was</p> <p>24 provided by a mail vendor, and the only mail vendor</p> <p>25 we had at both 2004 and 2009 was PSC.</p>	<p style="text-align: right;">Page 99</p> <p>1 because it has many additional numbers, so it has the</p> <p>2 leading zeroes, it has the pound sign, and then it</p> <p>3 has a check digit added to the end, so we can confirm</p> <p>4 whether or not it is a real piece or authentic item</p> <p>5 that was sent by that vendor.</p> <p>6 Q. Well, how is that done?</p> <p>7 A. The vendor is the one who adds the check</p> <p>8 digit and they also specify how many records or</p> <p>9 fields, so the leading zeroes was all something that</p> <p>10 was brought on by that group, as well as the check</p> <p>11 digit.</p> <p>12 Q. Doesn't the vendor really use the bar</p> <p>13 code? They just scan the bar code?</p> <p>14 A. They use the bar --</p> <p>15 MR. SCHWARTZ: Objection as to form. You can</p> <p>16 answer if you can.</p> <p>17 THE WITNESS: They do use the bar code, but</p> <p>18 when the bar code does not read, they have to hand</p> <p>19 key information in. And actually, when I did an</p> <p>20 on-site visit, there were a number of instances where</p> <p>21 the bar code was unreadable and they had to hand key.</p> <p>22 BY MR. LORENZ:</p> <p>23 Q. When you say you did an on-site visit,</p> <p>24 where and when was that?</p> <p>25 A. I did an on-site visit in December of</p>
<p style="text-align: right;">Page 98</p> <p>1 Q. And you agree that MCM uses window</p> <p>2 envelopes. Correct?</p> <p>3 A. Correct.</p> <p>4 Q. In other words, you stuff in the letter,</p> <p>5 and this block you can see through the window of the</p> <p>6 envelope. Correct?</p> <p>7 A. Correct.</p> <p>8 Q. All these numbers here, the postal code,</p> <p>9 as well as the MCM account number, is visible through</p> <p>10 the window of the envelope. Correct?</p> <p>11 MR. SCHWARTZ: Objection as to form.</p> <p>12 BY MR. LORENZ:</p> <p>13 Q. Is that correct?</p> <p>14 A. Could you repeat the question?</p> <p>15 Q. The postal code, as well as the MCM</p> <p>16 account number, is visible through the window of the</p> <p>17 envelope. Correct?</p> <p>18 A. If you mean the MCM account number as</p> <p>19 the tracking number, yes, that is visible, but you</p> <p>20 cannot tell that it's the MCM account number purely</p> <p>21 from the outside of the envelope.</p> <p>22 Q. Why, why do you refer to it as a</p> <p>23 tracking number?</p> <p>24 A. The official definition was a key line</p> <p>25 in our documentation, and it's a tracking number</p>	<p style="text-align: right;">Page 100</p> <p>1 2011, and then subsequently in, I believe it was</p> <p>2 April of 2012.</p> <p>3 Q. And was that with PSC?</p> <p>4 A. It was with PSC, and as well as DMG was</p> <p>5 about a week before that.</p> <p>6 Q. So where was it that -- it was at the</p> <p>7 PSC facility where you said there were instances of</p> <p>8 not being able to read the bar code. Correct?</p> <p>9 A. It was at PSC, correct.</p> <p>10 Q. Not at DMG?</p> <p>11 A. Correct.</p> <p>12 Q. And how many pieces of mail did you</p> <p>13 review?</p> <p>14 A. I was there for about four hours, and</p> <p>15 actually in the process, the place where they process</p> <p>16 return mail, probably only a half hour or so, as they</p> <p>17 were going through whatever I saw in a half hour, and</p> <p>18 they actually had a large pallet from the USPS that</p> <p>19 was filled with unscannable items.</p> <p>20 Q. And when was that that you did this</p> <p>21 visit?</p> <p>22 A. That was from the December 2011 visit.</p> <p>23 Q. Did you do visits in 2012 and 2013?</p> <p>24 A. In 2012, I did not. 2013, I did.</p> <p>25 Q. And did you encounter the same issue?</p>

JARED MCCLURE  
VIDRA-MILLER vs. MIDLAND CREDIT

December 11, 2014  
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<p style="text-align: right;">Page 145</p> <p>1 A. Correct.</p> <p>2 Q. Do you agree that Encore's net worth</p> <p>3 exceeds 50 million dollars?</p> <p>4 A. Yes.</p> <p>5 Q. The, if you could turn to the page that</p> <p>6 says F-2 at the bottom, you'll see a line for</p> <p>7 goodwill. That's in excess of 504 million dollars.</p> <p>8 A. Yes.</p> <p>9 Q. Do you know what constitutes the</p> <p>10 goodwill?</p> <p>11 A. Goodwill means we paid more than the</p> <p>12 value of the assets for a new company and we</p> <p>13 purchased asset acceptance in that year, so most</p> <p>14 likely asset acceptance. There's also other entities</p> <p>15 we bought more in a lending type of space as well</p> <p>16 that could go into that, such as our U.K. business,</p> <p>17 as well as we have a Texas business that does tax</p> <p>18 lien transfers.</p> <p>19 Q. What's the U.K. business? I saw it in</p> <p>20 here. What's it called?</p> <p>21 A. The U.K. business is Cabot Financial.</p> <p>22 They do debt collection in the U.K. and Europe.</p> <p>23 MR. LORENZ: Okay. Let's go off the record</p> <p>24 here for a moment. Do you want to take a lunch</p> <p>25 break?</p>	<p style="text-align: right;">Page 147</p> <p>1 SAN DIEGO, CALIFORNIA, THURSDAY, DECEMBER 11, 2014</p> <p>2 12:54 P.M.</p> <p>3</p> <p>4 THE VIDEOGRAPHER: Going back on the record,</p> <p>5 the time is 11 -- excuse me, 12:54 p.m.</p> <p>6</p> <p>7 EXAMINATION RESUMED</p> <p>8 BY MR. LORENZ:</p> <p>9 Q. Okay. So we're back from a brief lunch</p> <p>10 break. Mr. McClure, you have your microphone on.</p> <p>11 Good.</p> <p>12 A. Yes.</p> <p>13 Q. Okay. I have in front of you the</p> <p>14 amended complaint that we marked earlier and ask that</p> <p>15 you turn to page 3 and 4 of it. On page 3, actually</p> <p>16 starting at Paragraph 22.</p> <p>17 A. Okay.</p> <p>18 Q. And then I've also placed in front of</p> <p>19 you what we previously marked as Exhibit 7, the</p> <p>20 excerpt from the class list that was provided in this</p> <p>21 matter.</p> <p>22 And I just wanted to confirm that, if</p> <p>23 you look at the definition of the class in</p> <p>24 Paragraph 22, that those are the parameters that were</p> <p>25 used to generate the list that was provided to us and</p>
<p style="text-align: right;">Page 146</p> <p>1 MR. SCHWARTZ: Yeah, sure.</p> <p>2 MR. LORENZ: Okay. Now is as good a time as</p> <p>3 any.</p> <p>4 MR. SCHWARTZ: Okay.</p> <p>5 THE VIDEOGRAPHER: Going off the record, the</p> <p>6 time is 12:12 p.m.</p> <p>7</p> <p>8 (Lunch recess.)</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 148</p> <p>1 there's an excerpt marked as Exhibit 7.</p> <p>2 A. That's correct.</p> <p>3 Q. And just look at the second page also,</p> <p>4 because it goes from Paragraph 22.a. through e.</p> <p>5 A. Yep, that's correct.</p> <p>6 Q. Okay, I'll take those back from you.</p> <p>7 Put them right here. I'll take that one too.</p> <p>8 (Exhibit 10 marked for identification.)</p> <p>9 BY MR. LORENZ:</p> <p>10 Q. Marked as Exhibit 10 --</p> <p>11 MR. SCHWARTZ: Let me just put an objection</p> <p>12 just to clarify C, maybe, I mean, just a suggestion,</p> <p>13 because it isn't limited to Chase Bank USA credit</p> <p>14 cards.</p> <p>15 BY MR. LORENZ:</p> <p>16 Q. Well, so the list that we are looking at</p> <p>17 has Chase Manhattan Bank, Chase Bank, that's what I</p> <p>18 see. Chase Bank USA, Chase Manhattan Bank.</p> <p>19 A. That's correct.</p> <p>20 Q. There's no other, there's nothing else</p> <p>21 on here other than a Chase credit card account.</p> <p>22 A. Correct.</p> <p>23 Q. Or a Chase account.</p> <p>24 MR. SCHWARTZ: Right, but you defined it as</p> <p>25 Chase Bank USA, so I wanted to make sure this is</p>